

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO. 308 OF 2006
WITH
INCOME TAX APPEAL NO. 323 OF 2006

The Commissioner of Income Tax ... Appellant
Mumbai City - 17, Mumbai.

V/s.

M/s. Arya Steel ... Respondent

Mr. R.G. Bhatt for the appellant.
Mr. A.K. Jasani for the respondent.

CORAM : H.L. GOKHALE &
V.R. KINGAONKAR, JJ.
DATED : 1st August, 2006

P.C.

. Mr. Bhatt appears for the appellant and Mr. Jasani for the respondents. Whereas the appeal No. 308 of 2006 is concerning the Assessment Year 1993-94 and appeal No. 323 of 2006 is about the Assessment Year 1992-93. The question which is sought to be raised is whether the respondent is eligible to a deduction u/s 80HH and 80I of the Income Tax Act. The respondent is engaged in ship breaking activity and the submission of the revenue is that it does not amount to a manufacturing activity. As far as this aspect is concerned, in the case of **Ship Scrap Traders V/s. Commissioner of Income Tax** reported in 251 ITR 806, a Division Bench of this Court taken a view that

ship breaking needs expertise and it results into production of articles and therefore, it amounts to a manufacturing activity. This view has been followed by the Tribunal in both the cases. Therefore, there is no need to go into this question once again in the case of respondent here. Both the appeals are dismissed.

[H.L. GOKHALE, J.]

[V.R. KINGAONKAR, J.]